

SATURDAY, DECEMBER 11, 1841.

MESSAGE.

To the Senate, and

House of Representatives of the U. States.

In coming together, fellow-citizens, to enter again upon the discharge of the duties with which the People have charged us, severally, we find great occasion to rejoice in the general prosperity of the country. We are in the enjoyment of all the blessings of civil and religious liberty, with unexampled means of education, knowledge, and improvement. Through the year which is now drawing to a close, peace has been in our borders, and plenty in our habitations; and although disease has visited some few portions of the land with distress and mortality, yet in general the health of the People has been preserved, and we are all called upon, by the highest obligations of duty, to renew our thanks and devotion to our Heavenly Father, who has continued to vouchsafe to us the omnipotent blessings which surround us, and who has so signally crowned the year with his goodness. If we find ourselves increasing, beyond example in numbers, in strength, in wealth, in knowledge, in every thing which promotes human and social happiness, let us ever remember our dependence upon the beneficent and all-wise and all-powerful dispensations of Divine Providence.

Since your last adjournment, Alex'r McLeod, a British subject, who was indicted for the murder of an American citizen, and whose case has been the subject of correspondence heretofore communicated to you, has been acquitted by the verdict of an impartial and intelligent jury, and has, under the judgment of the Court, been regularly discharged.

Great Britain having made known to this Government that the expedition which was fitted out from Canada for the destruction of the steamboat *Caroline*, in the winter of 1837, and which resulted in the destruction of said boat, and in the death of an American citizen, was undertaken by orders emanating from the authorities of the British Government, in Canada, and demanding the discharge of McLeod upon the ground that, if engaged in that expedition, he did but fulfil the orders of his Government; has thus been answered in the only way in which she could be answered by a Government, the powers of which are distributed among its several departments by the fundamental law. Happily for the people of Great Britain, as well as those of the United States, the only mode by which an individual, engaged for a criminal offence, before the Courts of either, can obtain his discharge, is by the independent action of the judiciary, and by proceedings equally familiar to the courts of both countries.

If in Great Britain a power exists in the Crown to cause to be entered a *habeas corpus*, which is not the case with the Executive power of the United States, yet a prosecution pending in a State Court, upon a more than *habeas corpus*, can the Chief Executive power rescue a prisoner from custody without an order of the proper tribunal directing his discharge. The precise stage of the proceedings at which such order may be made, is a matter of municipal regulation exclusively, and not to be complained of by any other Government. In cases of this kind, a Government becomes politically responsible only, when its tribunals of last resort are shown to have rendered unjust and injurious judgment in matters not doubtful. To the establishment and elucidation of this principle, no nation has lent its authority more efficiently than Great Britain.

Alexander McLeod having his option either to prosecute a writ of error from the decision of the Supreme Court of New York, which had been rendered upon his application for a discharge, to the Supreme Court of the United States, or to submit his case to the decision of a jury, preferred the latter, deeming it the readiest mode of obtaining his liberation, and the result has fully sustained the wisdom of his choice. The manner in which the issue submitted was tried will satisfy the English Government that the principles of justice will never fail to govern the enlightened decision of an American tribunal. I cannot fail, however, to suggest to Congress the propriety, and, in some degree, the necessity of making such provisions by law, so far as they may constitutionally do so, for the removal of their commencement, and at the option of the party, of all such cases as may hereafter arise, and which involve the faithful observance and execution of our international obligations, from the State to this Federal Judiciary. This Government, by our institutions, is charged with the maintenance of peace and the preservation of amicable relations with the nations of the earth, and ought to possess, without question, all the reasonable and proper means of maintaining the one and preserving the other. Whilst just confidence is felt in the Judiciary of the States, yet this Government ought to be competent in itself for the fulfilment of the high duties which have been devolved upon it under the organic law, by the States themselves.

In the month of September, a party of armed men from Upper Canada invaded the territory of the United States, and forcibly seized upon this person of one Grogan, and, under circumstances of great harshness, hurriedly carried him beyond the limits of the United States, and delivered him up to the authorities of Upper Canada. His immediate discharge was authorized by those authorities, upon the facts of the case being brought to their knowledge a course of procedure which was to have been expected from a nation with whom we are at peace, and which was not more due to the rights of the United States, than to its own regard for justice. The correspondence which passed between the Department of State and the British Envoy, Mr. Fox, and with the Governor of Vermont, as soon as the facts had been made known to this Department, are herewith communicated.

I regret that it is not in my power to make known to you an equally satisfactory conclusion in the case of the *Caroline* steamer, with the circumstances connected with the destruction of which, in Dec. 1837, by an armed force fitted out in the Province of Upper Canada, you are already well acquainted. No such attempt was due for the public wrong done to the U. States by this invasion of her territory, so wholly irreconcilable with her rights and independent power, has yet been made. In the view taken by this Government, the inquiry whether the vessel was in the employment of those who were prosecuting an unauthorized war against that Province, or was engaged by the owner in the business of transporting passengers to and from Navy Island in hopes of private gain, which was most probably the case, in no degree alters the real question at issue between the two governments. This Government can never concede to any foreign government the power, except in a case of the most urgent and extreme necessity, of invading its territory, either to arrest the persons or to destroy the property of those who may have violated the municipal laws of such foreign government, or have disregarded their obligations arising under the law of nations. The territory of

the United States must be regarded sacredly secure against all such invasions, until they shall voluntarily acknowledge their inability to acquit themselves of their duties to others. And in announcing this sentiment, I do but affirm a principle which no nation on earth would be more ready to vindicate, at all hazards, than the people and government of Great Britain.

If, upon a full investigation of all the facts, it shall appear that the owner of the *Caroline* was governed by a hostile intent, or had made common cause with those who were in the occupancy of Navy Island then, so far as he is concerned, there can be no claim to indemnity for the destruction of his boat, which this Government would feel itself bound to prosecute, since he would have acted not only in derogation of the rights of Great Britain, but in clear violation of the laws of the United States; but that is a question which, however settled, in no manner involves the higher consideration of the violation of territorial sovereignty, and jurisdiction. To recognize it as an admissible practice that each government, in its turn, upon any sudden and unauthorized outbreak, which, on a frontier, the extent of which renders it impossible for either to have an efficient force on every mile of it, and which outbreak, therefore, neither may be able to suppress in a day, may take vengeance into its own hands, and without even a remonstrance, and in the absence of any pressing or overruling necessity, may invade the territory of the other, would inevitably lead to results equally to be deplored by both. When border collisions come to resolve the sanctions, or to be made on the authority of either Government, general war must be the inevitable result. While it is the ardent desire of the United States to cultivate the relations of peace with all nations, and to fulfill all the duties of good neighborhood towards those who possess territories adjoining their own, that very desire would lead them to deny the right of any foreign power to invade their boundary with an armed force. The correspondence between the two Governments on this subject, will, at a future day of your session, be submitted to your consideration, and in the mean time I cannot but implore the hope that the British Government will see the propriety of renouncing as a rule of future action, the precedent which has been set in the affair at Schlosser.

I herewith transmit the correspondence which has recently taken place between the American Minister at the Court of St. James, Mr. Stevenson, and the Minister of Foreign Affairs of that Government, on the right claimed by that Government to visit and detain vessels sailing under the American flag and engaged in prosecuting lawful commerce in the African seas. Our commercial interests in that region have experienced considerable increase, and have become an object of much importance, and it is the duty of this Government to protect them against all improper and vexatious interruption. However desirous the United States may be for the suppression of the slave trade, they cannot consent to interpolations into the maritime code, at the mere will and pleasure of other governments. We deny the right of any such interpolations of any one, or all the nations of the Earth, without our consent. We claim to have a voice in all amendments or alterations of that code, and when we are given to understand, as in this instance, by a foreign Government, that its treaties with other nations cannot be executed without the establishment and enforcement of new principles of maritime police, to be applied without our consent, we must employ a language neither of equivocal import, or susceptible of misconstruction. American citizens prosecuting a lawful commerce in the African seas, under the flag of their country, are not responsible for the abuse or unlawful use of that flag by others; nor can they rightfully on account of any such alleged abuses, be interrupted, molested, or detained while on the ocean, and if thus molested and detained, while pursuing honest voyages in the usual way, and violating no law themselves, they are unquestionably entitled to indemnity. This government has manifested its repugnance to the slave trade, in a manner which cannot be misunderstood. By its fundamental law, it prescribed limits in point of time to its continuance; and against its own citizens, who might so far forget the rights of humanity as to engage in that wicked traffic, it has long since, by its municipal laws, denounced the most condign punishment. Many of the States composing this Union, had made appeals to the civilized world for its suppression, long before the moral sense of other nations had become shocked by the iniquities of the traffic. Whether this Government should now enter into treaties containing mutual stipulations upon this subject, is a question for its mature deliberation. Certain it is, that if the right to detain American ships on the high seas can be justified on the plea of a necessity for such determination, arising out of the existence of treaties between other nations, the same plea may be extended and enlarged by the new stipulations of new treaties, to which the United States may be a party. This Government will not cease to urge upon that of Great Britain, full and ample remuneration for all losses, whether arising from detention or otherwise, to which American citizens have heretofore been, or may hereafter be subjected, by the exercise of rights which this government cannot recognize as legitimate and proper. Nor will I indulge a doubt but that the sense of justice of G. B. will constrain her to make retribution for any wrong, or loss, which any American citizen, engaged in the prosecution of lawful commerce, may have experienced at the hand of its cruisers, or other public authorities. This government, at the same time, will relax no effort to prevent its citizens, if there be any so disposed, from prosecuting a traffic so revolting to the feelings of humanity. It seeks to do no more than to protect the fair and honest trader from molestation and injury; but while the enterprising mariner, engaged in the pursuit of an honorable trade, is entitled to its protection, it will visit with condign punishment others of an opposite character.

I invite your attention to existing laws for the suppression of the African slave trade, and recommend all such alterations, as may give to them greater force and efficacy. That the American flag is grossly abused by the abandoned and profligate of other nations, is but too probable. Congress has, not long since, had this subject under its consideration, and its importance well justifies renewed and anxious attention. I also communicate herewith the copy of a correspondence between Mr. Stevenson and Lord Palmerston, upon the subject so interesting to several of the Southern States, of the rice duties which resulted honorably to the justice of Great Britain, and advantageously to the U. States.

At the opening of the last annual session, the President informed Congress of the progress which had then been made in negotiating a convention between this Government and that of England, with a view to the final settlement of the question of the boundary between the territorial limits of the two countries. I regret to say that little further advancement of the object has been accomplished since last year; but this is owing to circumstances no way indicative of any abatement of the desire of both parties to hasten the negotiation to its conclusion, and to settle the question in dispute, as early as possible. In the course of the session, it is my hope to be able to announce some further degree of progress, to-

wards the accomplishment of this highly desirable end.

The commission appointed by this Government for the exploration and survey of the line of boundary separating the State of Maine and New Hampshire from the contiguous British Provinces is, it is believed, about to close its field labors, and is expected soon to report the results of its examinations to the Department of State. The report, when received, will be laid before Congress.

The failure on the part of Spain to pay, with punctuality, the interest due under the Convention of 1834, for the settlement of claims between the two countries, has made it the duty of the Executive to call the particular attention of that Government to the subject. A disposition has been manifested by it, which is believed to be entirely sincere, to fulfil its obligations, in this respect, so soon as its internal condition and the state of its finances will permit. An arrangement is in progress, from the result of which, it is trusted that those of our citizens who have claims under the Convention, will, at no distant day, receive the stipulated payments.

A Treaty of Commerce and Navigation with Belgium was concluded and signed at Washington on the 25th March, 1840, and was duly sanctioned by the Senate of the United States. The Treaty was ratified by his Belgian Majesty, but did not receive the approbation of the Belgian Chambers within the time limited by its terms, and has, therefore, become void.

This occurrence assumes the graver aspect from the consideration that, in 1833, a Treaty was concluded between the two Governments, and ratified on the part of the United States, failed to be ratified on the part of Belgium. The Representative of that Government, at Washington, informs the Department of State that he has been instructed to give explanations of the cause which occasioned the delay in the approval of the late Treaty by the Legislature and to express the regret of the King at the occurrence.

The joint commission under the Convention with Texas, to ascertain the true boundary between the two countries, has concluded its labors; but the final report of the commissioner of the United States has not been received. It is understood, however, that the meridian line, as traced by the commission, lies somewhat further East than the position theretofore generally assigned to it, and, consequently, includes in Texas some part of the territory which had been considered as belonging to the State of Louisiana and Arkansas.

The United States cannot but take a deep interest in whatever relates to this young, but growing Republic. Settled principally by emigrants from the United States, we have the happiness to know, that the great principles of civil liberty are there destined to flourish, under wise institutions and wholesome laws, and that, through its example, another evidence is to be afforded of the capacity of popular institutions, to advance the prosperity, happiness, and permanent glory of the human race. The great truth, that government was made for the people, and not the people for government, has already been established in the practice and by the example of this United States; and we can do no other than contemplate its further exemplification by a sister Republic, with the deepest interest.

Our relations with the independent States of this hemisphere, formerly under the dominion of Spain, have not undergone any material change within the past year. The incessant sanguinary conflicts in or between these countries, are to be greatly deplored, as necessarily tending to disable them from performing their duties as members of the community of nations, and rising to the destiny which the position and natural resources of many of them might lead them justly to anticipate, as constantly giving occasion, also directly or indirectly, for complaints on the part of our citizens who resort thither for purposes of commercial intercourse, and as a retarding reparation for wrongs already committed, some of which are by no means of recent date.

The failure of the Congress of Ecuador to hold a session, at the time appointed for that purpose, in January last, will probably render abortive a treaty of commerce with that Republic, which was signed at Quito on the 13th of June, 1839, and had been duly ratified on our part, which required the approbation of that body, prior to its ratification by the Ecuadorian Executive.

A Convention which has been concluded with the Republic of Peru, providing for the settlement of certain claims of citizens of the United States, upon the Government of that Republic, will be duly submitted to the Senate.

The claims of our citizens against the Brazilian government, originating from captures, and other causes, are still unsatisfied. The United States have, however, so uniformly shown a disposition to cultivate relations of amity with that Empire, that it is hoped, the unequivocal tokens of the same spirit towards us, which an adjustment of the affairs referred to would afford, will be given without further avoidable delay.

The war with the Indian tribes on the peninsula of Florida, during the last summer and fall, has been prosecuted with untiring activity and zeal. A summer campaign was resolved upon; as the best mode of bringing it to a close. Our brave officers and men who have been engaged in that service, have suffered toils and privations, and exhibited an energy, which, in any other war, would have won for them unfading laurels. In despite of the sickness incident to the climate, they have penetrated the fastnesses of the Indians, broken up their encampments, and harassed them unceasingly. Numbers have been captured, and still greater numbers have surrendered, and have been transported to join their brethren on the lands elsewhere allotted to them by the Government, and a strong hope is entertained that, under the conduct of the gallant officer at the head of the troops in Florida, that troublesome and expensive war is destined to a speedy termination. With all the other Indian tribes, we are enjoying the blessings of peace. Our duty, as well as our best interests, prompt us to observe, in all our intercourse with them, fidelity in fulfilling our engagements, the practice of strict justice, as well as the constant exercise of acts of benevolence and kindness. These are the great instruments of civilization, and through the use of them alone, can the untutored child of the forest be induced to listen to its teachings.

The Secretary of State on whom the acts of Congress have devolved the duty of directing the proceedings for the taking of the sixth census, enumeration of the inhabitants of the United States, will report to the two Houses the progress of that work. The enumeration of persons has been completed, and exhibits a grand total of 17,669,453, making an increase over the census of 1830 of 4,202,646 inhabitants, and showing a gain in ratio exceeding 32 1-2 per cent for the last ten years.

From the report of the Secretary of the Treasury, you will be informed of the condition of the finances. The balance in the Treasury on the 1st of January last, as stated in the report of the Secretary of the Treasury, submitted to Congress at the extra session, was \$967,365 03. The receipts into the Treasury, during the first three quarters of this year, from all sources, amount to \$20,467,652 52. The estimated receipts for the fourth quarter, amount to \$6,943,095 25, amounting to \$30,410,747 77, and making, with the balance in the Treasury, on the first of January

last, \$31,377,513 80. The expenditures for the first three quarters of this year, amount to \$21,734,346 97. The expenditures for the fourth quarter, as estimated, will amount to \$7,990,723 73, this making a total of \$32,025,070 70; and leaving a deficit to be provided for, on the first of January next, of about \$637,557 90.

Of the loan of \$12,000,000, which was authorized by Congress at its late session, only \$5,532,726 88 have been negotiated. The shortness of time which it had to run, has presented no inconsiderable impediment in the way of its being taken by capitalists at home, while the same cause would have operated with much greater force in the foreign market. For that reason the foreign markets have not been resorted to; and it is now submitted whether it would not be advisable to amend the law by making what remains undisposed of, payable at a more distant day.

Should it be necessary, in any view that Congress may take of the subject, to revise the existing tariff of duties, I beg leave to say, that, in the performance of that most delicate operation, moderate counsels would seem to be the wisest. The Government, under which it is our happiness to live, over its existence to the spirit of compromise which prevailed among its framers, trying and discordant opinions could only have been reconciled by that noble spirit of patriotism, which prompted congressmen, and resulted in harmony. In the same spirit the compromise bill, as it is commonly called, was adopted at the session of 1833. While the people of no portion of the Union will ever hesitate to pay all necessary taxes for the support of Government, yet an immoderate repugnance exists, to the burdening of the people, for the purpose of revenue, a right to discriminate as to the articles on which the duty shall be laid, as well as the amount, necessarily and most properly exists. Otherwise the Government would be placed in the condition of having to levy the same duties upon all articles, to be productive, as well as the unproductive. The slightest duty upon wine, might have the effect of causing their importation to cease where as others entering extensively into the consumption of the country, might bear the heaviest without any sensible diminution in the amount imported. So also the Government may be justified in so discriminating, by reference to other considerations of domestic policy connected with our material interests. So long as the duties shall be laid with distinct reference to the wants of the Treasury, no well founded objection can exist against them. It might be esteemed desirable that no such argumentation of the taxes should take place as would have the effect of annulling the law proceeds distribution act of the last session, which act is declared to be inoperative the moment the duties are increased beyond 20 per cent, the maximum rate established by the compromise act. Some of the provisions of the Compromise act, which will go into effect on the 30th day of June next, may, however, be found exceedingly inconvenient in practice, under any regulations that Congress may adopt. I prefer more particularly to that relating to the home valuation. A difference in value of the same articles to some extent, will necessarily, exist at different ports, but that is altogether insignificant, when compared with the conflicts in valuation, which are likely to arise, from the differences of opinion among the numerous appraisers of merchandise. In many instances the estimates of value must be conjectural, and thus as many rates of value may be established as there are appraisers. These differences in valuation may also be increased by the inclination, which, without the slightest imputation on their honesty, may arise on the part of the appraisers in favor of their respective ports of entry. I recommend this whole subject to the consideration of Congress, with a single additional remark. Certainty and permanency in any system of governmental policy are, in all respects, eminently desirable; but more particularly is this true in all efforts to trade and commerce, the operations of which depend much more on the certainty of their returns, and calculations which embrace distant periods of time, than on high bounties, or duties, which are liable to constant fluctuations.

At your late session, I invited your attention to the condition of the currency and exchanges, and urged the necessity of adopting such measures as were consistent with the conditional competency of the Government, in order to correct the inequalities of the one, and as far as practicable the inequalities of the other. No country can be in the enjoyment of its full measure of prosperity, without the presence of a medium of exchange, approximating to uniformity of value. What is necessary as between the different nations of the earth is also important as between the inhabitants of different parts of the same country; with the first the precious metals constitute the chief medium of circulation, and such would be the case as to the last, but for inventions comparatively modern, which have furnished in place of gold and silver, a paper circulation. I do not propose to enter into a comparative analysis of the two systems. Such belonged more properly to the period of the introduction of the paper system. The speculative philosophy might find inducements to prosecute the inquiry, but his researches could only lead him to conclude, that the paper system had probably better never have been introduced, and that society might have been much happier without it. The practical statesman has a very different task to perform. He has to look at things as they are, to take them as he finds them to supply deficiencies, and to prune excesses as far as in him lies. The task of furnishing a corrective for derangements of the paper medium with us, is almost expressly great. The power exerted by the States to charter banking corporations, and which, having been carried to a great excess, has filled the country with, in most of the States, an irredeemable paper medium, is an evil which in some way or other requires a corrective. The rates at which bills of exchange are negotiated between different parts of the country, furnish an index of the value of the local substitute for gold and silver, which is, in many parts, so far depreciated as not to be received, except at a large discount, in payment of debts, or in the purchase of produce. It could earnestly be desired that every bank, not possessing the means of redemption, should follow the example of the late U. States Bank of Pennsylvania, and go into liquidation rather than by refusing to do so to continue embarrassments in the way of solvent institutions, thereby augmenting the difficulties incident to the present condition of things. Whether this government, with due regard to the rights of the States, has any power to constrain the banks, either to resume specie payments, or to force them into liquidation, is an inquiry which will not fail to claim your consideration. In view of the great advantages which are allowed the corporations, not among the least of which is the authority contained in most of their charters, to make loans to three times the amount of their capital, thereby often deriving three times as much interest on the same amount of money as any individual is permitted by law to receive, no sufficient apology can be urged for a long continued suspension of specie payments. Such suspension is productive to the greatest detriment to the public, by expelling from circulation the precious metals, and seriously hazarding the success of any effort that this Government can make, to increase commercial facilities, and to advance the public interests.

This is the more to be regretted, and the indispensable necessity for a sound currency becomes the more manifest, when we reflect on the vast amount of the internal commerce of the country. Of this we have no statistics, nor just data for forming adequate opinions. But there can be no doubt, but that the amount of transportation coastwise, by sea, and the transportation inland by railroads and canals, and by steamboats and other modes of conveyance, over the surface of our vast rivers and immense lakes, and the value of property carried and interchanged by

these means, form a general aggregate, to which the foreign commerce of the country, large as it is, makes but a distant approach.

In the absence of any controlling power over the subject, which by forcing a general resumption of specie payments would at once have the effect of restoring a sound medium of exchange, and would leave to the country but little to desire, what measure of relief, falling within the limits of our conditional competency does it become this government to adopt? It was my painful duty at your last session, to differ with Congress on the measures which I proposed for my approval, and which I do not regard as corrective of existing evils. Subsequent reflection, and events since occurring, have served to confirm me in the opinions then expressed, and, frankly expressed.

I must be permitted to add, that no scheme of governmental policy, unaided by individual exertion, can be available for ameliorating the present condition of things. Commercial modes of exchange and commerce and intercourse, not the direct production of the earnings of industry and the savings of frugality; and nothing can be more unproductive, to look to facilities in borrowing, or to a resumption of circulation, for the power of discharging pecuniary obligations. The country is full of resources, and the people full of energy, and the great and permanent remedy for present embarrassments must be sought in industry, economy, the objects of good faith, and the favorable influence of time.

In pursuance of a pledge given to you in my last message to Congress, which I pledge myself as an apology for adventuring to present you the details of any plan, the Secretary of the Treasury will be ready to submit to you, should you require it, a plan of finance which, while it draws around the public treasury reasonable guards for its protection, and rests on powers acknowledged in practice to exist from the origin of the country, a sound paper medium, and afford all reasonable facilities for regulating the exchanges. When submitted, you will perceive in a preliminary report of the existing laws in relation to the Treasury Department, subordinate to all respects to the will of Congress directly, and the will of the people indirectly self-sustaining, should it be found in practice to realize its promises in theory, and repeatable at the pleasure of Congress. It proposes by effectual restraints, and by invoking the true spirit of our institutions, to separate the purse from the sword; more properly to speak, denies any other right to the President over the agents who might be selected to carry it into execution, but who may be indispensable necessary to secure the fidelity of such agents; and, by wise regulations, keeps plainly apart from each other, private and public funds. It contemplates the establishment of a Board of Control, at the Seat of Government, with agencies at prominent commercial points, or wherever else Congress shall direct, for the safe-keeping and disbursement of the public moneys, and a substitution, at the option of the public creditor, of Treasury notes, in lieu of gold and silver. It proposes to limit the issues to an amount not to exceed \$15,000,000, without the express sanction of the Legislature. It also authorizes the receipt of annual deposits of gold and silver to a limited amount, and the granting certificates of deposit, for such sums as may be called for by the depositors. It proceeds a step further, and authorizes the purchase and sale of Domestic Drafts, payable at sight, or having but a short time to run, and drawn on places not less than one hundred miles apart, which authority, exact in so far as may be necessary for Government purposes exclusively, is only to be exerted upon the express condition, that its exercise shall be prohibited by the State in which the agency is situated.

In order to cover the expenses incident to the plan, it will be authorized to receive moderate premiums for certificates issued on deposits, and on bills bought and sold, and thus, as far as its dealing extend, to furnish facilities to commercial intercourse at the lowest possible rates, and to subvert from the earnings of industry, the least possible sum. It uses the State Banks at a distance from the agencies, as a resource, without imparting any power to trade in its name it is subjected to such guards and restrictions as have appeared to be necessary. It is the creature of law, and exists only at the pleasure of the Legislature. It is made to rest on an actual specie basis, in order to redeem the notes at the place of issue, produces no dangerous redundancy of circulation, affords no temptation to speculation, is attended by no inflation of prices, is equal in its operation makes the Treasury notes, which it may use along with the certificates of deposit, and the notes of specie paying banks convertible at the place where collected, receivable in payment of Government dues, and without violating any principle of the Constitution, affords the Government and the people such facilities as are called for by the wants of both. Such, it has appeared to me, are its recommendations, and my view of them it will be submitted, whenever you may require it, to your consideration.

I am not able to perceive that any fair and candid objection can be urged against the plan, the principal outlines of which I have thus presented. I cannot doubt but that the notes which it proposes to furnish at the voluntary option of the public creditor, issued in lieu of the revenue and its certificates of deposit, will be maintained at an equality with gold and silver every where. They are redeemable in gold and silver on demand, at the place of issue. They are receivable every where in payment of Government dues. The Treasury notes are limited to a maximum of one-fourth less than the estimated annual receipts of the Treasury; and in addition they rest upon the faith of the Government for their redemption. If all these assurances assurances are not sufficient to make them available, then the idea, as it seems to me, of furnishing a sound paper medium of exchanges, may be entirely abandoned.

I fear few be indulged that the Government may be tempted to run into excess in its issue, as any future day, it seems to me that no self-protection can reasonably be entertained, until all confidence in the representatives of the States and of the people, as well as of the people themselves, shall be lost. The wisest considerations of policy require that the restraints now proposed to be thrown around the measure should not, for light causes be removed. To argue, as I gain, any proposed plan its liability to abuse, is to reject every expedient, since every thing dependent on human action is liable to abuse. Ten millions of Treasury notes may be issued to the maximum, but a discretionary power is to be given to the Board of Control, under that sum, and every consideration will unite in leading them to feel their way with caution. For the first years of the existence of the late Bank of the United States, its circulation barely exceeded \$4,000,000; and for five of its most prosperous years, it was about equal to \$16,000,000; furthermore, the authority given to receive private deposits to a limited amount, and to issue certificates in such sums as may be called for by depositors, may so far fill up the channels of circulation as greatly to diminish the necessity of any considerable issue of Treasury notes. Any restraint upon the amount of private deposits, from seemed to be indispensably necessary, from apprehensions thought to be well founded, that

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